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and certain subsidiaries

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF ARIZONA

In re:)	In Proceedings Under Chapter 11
)	
BAPTIST FOUNDATION OF ARIZONA, an)	Case Nos. 99-13275-ECF-GBN through 99-
Arizona nonprofit 501(c)(3) corporation, and)	13364-ECF-GBN
related proceedings,)	
)	All Cases Jointly Administered Under Case
Debtors.)	No. 99-13275-ECF-GBN
)	DEBTORS' OBJECTION TO CLAIM OF
)	THE MANIFEST GROUP
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Pursuant to Rule 3007 of the Bankruptcy Rules of Procedure and Section 502(a) of the Bankruptcy Code, Debtor and Debtor-in-Possession, Baptist Foundation of Arizona, Inc. (and certain of its subsidiaries, who also may be co-debtors, as applicable; collectively “**BFA**”), submits the following objection to the proof of claim filed by The Manifest Group. In support of this objection, BFA offers the following memorandum of points and authorities.

MEMORANDUM IN SUPPORT OF OBJECTION

I. FACTS

1. The Manifest Group is a BFA vendor that contracted to provide BFA with certain communications and computer equipment. On April 21, 1998, BFA and The Manifest Group's predecessor, Pioneer Capital Corporation, entered into that certain "Equipment Lease Agreement" (the "**Lease**").

2. On March 31, 2000, The Manifest Group filed a proof of claim seeking to recover what appear to be both pre- and post-petition arrearages under the Lease, totaling \$16,407.12. The entire amount is classified as a secured claim.

3. On March 30, 2000, BFA filed its "Motion for Order Authorizing and Approving Rejection of Executory Contracts and Unexpired Leases" (the "Section 365 Motion"). Among the executory contracts that BFA sought to reject was its contract with Pioneer Capital Corporation, the predecessor in interest to the Manifest Group. On April 19, 2000, this Court issued an order granting BFA the relief that it sought in the Section 365 Motion.

III. BASIS FOR OBJECTIONS

Objections to claims are governed by 11 U.S.C. § 502(a), which provides that "[a] claim or interest, proof of which is filed under section 501 of this title, is deemed allowed, unless a party in interest, . . . objects." Section 502(b) provides that "[i]f such objection to a claim is made, the court, after notice and a hearing, shall determine the amount of such claim in lawful currency of the United States as of the date of the filing of the petition, and shall allow such claim in such amount." Federal Rule of Bankruptcy Procedure 3001(f) provides that a proof of claim filed in accordance with the rules "shall constitute prima facie evidence of the validity and amount of the claim." The burden of proof is on the objecting party to produce evidence equivalent in probative value to that of the creditor to rebut the prima facie effect of the proof of

claim. However, "the ultimate burden of persuasion is always on the claimant." In Re Holm, 931 F.2d 620, 623 (9th Cir. 1991) (citing 3 L. King, *Collier on Bankruptcy* § 502.02, at 502-22 (15th ed. 1991) (footnotes omitted)). A properly supported objection to a claim initiates a contested matter under the Bankruptcy Rules of Procedure. See Fed. R. Bankr. P. 3007(adv. comm. note).

Although The Manifest Group has attached to its proof of claim a copy of the Lease and documents reflecting that the individual who signed the lease was authorized to enter into contracts on behalf of BFA, those documents do not adequately support The Manifest Group's claim. The documents do not indicate the time period that either the pre- or post-petition arrearages accrued, the equipment that remained on site after BFA filed its petition, or how The Manifest Group may have acted to mitigate its damages. In short, neither the Court nor BFA can adequately assess the merits of The Manifest Group's claim. Accordingly, this Court should require The Manifest Group to adduce evidence demonstrating the merits of its claim.

III. CONCLUSION

For the above-described reasons, BFA respectfully requests that this Court schedule an evidentiary hearing on The Manifest Group's claim, and require The Manifest Group to demonstrate the merits of its claim by a preponderance of the admissible evidence presented at the hearing.

RESPECTFULLY SUBMITTED this 7th day of November, 2000.

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